



COUNTY OF LOS ANGELES  
DEPARTMENT OF PARKS AND RECREATION  
*"Creating Community Through People, Parks and Programs"*

Russ Guiney, Director

March 21, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENT NO. 1 TO THE HOLLYWOOD BOWL LEASE  
AGREEMENT 74998 WITH THE LOS ANGELES PHILHARMONIC ASSOCIATION  
AND APPROVE THE USE OF THE FACILITY USER'S FEE  
(3<sup>rd</sup> District 3-Vote Matter)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and authorize the Director of Parks and Recreation to sign Amendment No. 1 to the Hollywood Bowl Lease, No. 74998, with the Los Angeles Philharmonic Association (LAPA), which makes technical changes to the Lease as it relates the parking facilities associated with the John Anson Ford Theatre.
2. Approve the categories of uses for the Facility User's Fee collected and deposited into the Hollywood Bowl Improvement Account, which is funded from the two and one half percent (2.5%) surcharge on Hollywood Bowl tickets, and delegate to the Director of Parks and Recreation the authority to approve individual expenses within these categories upon review and approval of the Hollywood Bowl Executive Committee.

**PURPOSE OF RECOMMENDED ACTIONS/JUSTIFICATION**

On June 22, 2004, your Board approved Lease Agreement No. 74998 (the Lease) between the County and LAPA. The recommended actions would approve Lease Amendment No. 1 to make technical changes to the Lease as it relates the parking facilities associated with the John Anson Ford Theatre and would approve categories of uses for the Facility User's Fee, a two and one half percent (2.5%) surcharge on Hollywood Bowl tickets, which is collected and deposited into the Hollywood Bowl Improvement Account (the Account) by LAPA in accordance with section 4.4 of the Lease.

### **Amendment No. 1**

Section 2.3 of the Lease requires LAPA to be responsible for the operation of the parking facilities for events held at the Ford Theater and requires that LAPA remit to the Department 25 percent of the net proceeds derived from parking for events held at the Ford Theater that are produced by the Arts Commission and to pay to the Arts Commission \$2 of every paid vehicle parking fee derived from events at the Ford Theater that are not produced by the Arts Commission.

The Lease failed to define how net proceeds would be calculated and, since the Arts Commission sponsors events and programs but does not produce events or programs, the Lease was unclear as to which events fell into which category and on what basis it would be paid.

The proposed Amendment No. 1 simplifies the financial accounting of the operation of the Ford Theater parking lots for events at the Ford by requiring LAPA to pay to the Department all net proceeds, defined as revenue less operating expenses including overhead, earned in excess of \$20,000 per year, which may be adjusted in accordance with the Consumer Price Index Adjustment (CPI Adjustment) provided for in the Lease.

### **Facility User's Fee**

Section 4.4 of the Lease requires LAPA to attach a Facility User's Fee to the price of each ticket sold in an amount of 2.5 percent and to deposit that fee into the Account, which is held by LAPA. Section 4.4 (d) of the current Lease requires that LAPA may disburse such funds only after review of the recommendations from LAPA and approval by the Board of Supervisors.

Section 4.4 (d) further restricts the use of said funds to capital expenditures, expenditures for equipment, services and supplies related to the Hollywood Bowl property consistent with past practice, and for LAPA's expenses related to the operation of the Hollywood Bowl Museum. The amount that may be expended in the operation of the Museum each year is indexed to the amount approved by the Board for the operation in Fiscal Year 2004-05 and may be adjusted annually based on a cost-of-living adjustment specified in the agreement.

Under the previous lease agreement and in the first year of the existing Lease, the Department has brought forth the recommendations for expenditures annually to the Board for individual approval based on the total available funds.

However, since the last event at the Hollywood Bowl does not typically take place until the beginning of October, the total amount available is not known until after all proceeds have been received from the final performance. Based upon the amount available, the

current process requires that LAPA provide a complete list of proposed improvements along with cost estimates for each item so that the cost of the improvements is equal to or less than the total available funds. The list is reviewed by the Department to ensure consistency with Department priorities and, while there is often agreement on the highest priority uses, lower priorities are often subject to discussion and negotiation. As a result, recommendations usually do not come to the Board until sometime in March or April, leaving little to no time to actually accomplish the recommended improvements before the start of the next season. In addition, the annualize process does not allow LAPA to use the funds to address issues that arise during the season.

Therefore, the Department is recommending that your Board approve general categories of expenditure for the Facility User's Fund and delegate to the Director of Parks and Recreation the authority to approve individual expenses within these categories upon review and approval of LAPA's recommendations by the Hollywood Bowl Executive Committee, which is made up of representatives of LAPA, the Department and the Third Supervisorial District.

The recommended categories of expenditure are included in Attachment B. Approval of the action will allow LAPA to proceed with the highest priority items in a more timely fashion without being delayed while other items are under discussion, will provide flexibility to use the funds to address issues that arise during the season, and ensure that improvements to the Hollywood Bowl are completed during the off-season.

#### Implementation of Strategic Plan Goals

Approval of the recommended action supports County Strategic Plan Goal No. 4, Fiscal Responsibility, and Goal No. 6, Community Services, by providing for the use of the Facility User's Fee to make improvements to the Hollywood Bowl more efficiently during the off-season months of November through April.

#### **FISCAL IMPACT/FINANCING**

This action will have no impact on the County General Fund as the funds are collected based on ticket sales and deposited into a separate account held by LAPA.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under Article 10 of the Lease LAPA must receive prior written approval from the Director of Parks and Recreation prior to implementation of any alteration or improvement to the property with construction costs in excess of \$50,000, regardless of whether the alterations or improvements are funded through the Account or by other resources available to LAPA. Further, written approval is required for alterations or improvements under \$50,000 if the alteration or improvement involves any structure or

feature that is listed as a "contributing historic structure or feature" in the Hollywood Bowl Design Guidelines.

The recommended categories of expenditure are consistent with the uses outlined in Section 4.4 (d) of the Lease.

### **ENVIRONMENTAL DOCUMENTATION**

The approval of Amendment No. 1 is exempt from CEQA in that the action does not meet the definition of a project according to Section 15378 of the State CEQA Guidelines because the action has no potential to result in any physical impact to the environment.

In accordance with Section 14.1 of the Agreement, LAPA is required to comply with all legal requirements, which specifically include all adopted environmental documents and the Hollywood Bowl Design Guidelines in the operation of the property, including the provision of any alterations and improvements thereto. The Department will review LAPA's list of proposed expenditures which will include references to the pertinent adopted environmental documents to ensure that the proposed expenditures are consistent with these documents or are otherwise categorically exempt. Should the proposed expenditures be found to be categorically exempt and not covered through a previously adopted environmental document, then the Department will file a Notice of Exemption. Any proposed expenditure that is not consistent with all adopted environmental documents or otherwise categorically exempt will not be authorized under delegated authority and will require Board of Supervisors approval.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of this action will not have any impact on any other services or projects, but will invest in the infrastructure at the Hollywood Bowl.

**CONCLUSION**

Please instruct the Executive Office-Clerk of the Board to return three conformed copies of this action to Parks and Recreation and one conformed copy to the Chief Administrative Office, Capital Projects Division.

Respectfully submitted,



Russ Guiney  
Director



RG:KW

c: Executive Officer (22)  
Chief Administrative Office  
County Counsel  
Los Angeles Philharmonic Association

**ATTACHMENT B**  
**RECOMMENDED CATEGORIES OF EXPENDITURES**  
**FROM THE HOLLYWOOD BOWL IMPROVEMENT ACCOUNT**

1. **Stage and Production Equipment:** Consists of the replacement, installation or upgrade of equipment that is integral to the Hollywood Bowl property and is therefore considered part of the property and which benefits all performances. Examples include, but are not limited to, the soundboards, speakers and stage lighting.
2. **Health and Safety Improvements:** Consists of improvements to ensure the health and safety of the public and performers, including but not limited to installation/replacement of security cameras and replacement of expansion joints to reduce tripping hazards.
3. **Renovation of Historical Elements:** Consists of refurbishment of historical features and structures consistent with the approved environmental documents and the Hollywood Bowl Design Guidelines.
4. **Theater Refurbishments:** Consists of renovations and improvements to the Theater area, including, but not limited to, replacement of benches and seating and non-stage lighting.
5. **Circulation:** Consists of renovations and improvements to circulation including, but not limited to, the repair or construction of walkways, reconstruction of parking lots and improvements to entrances.
6. **Landscaping and Signage:** Consists of the installation and replacement of landscaping and signage including, but not limited to, replacement and planting of trees and other landscape elements, directional signage, repair or renovation of the marquee, and repair or replacement of picnic benches, benches and pads within the park areas.
7. **Building Refurbishment and Improvements:** Consists of refurbishments and improvements to the non-theatrical buildings, including the Museum, restrooms, and other appurtenant facilities. It excludes refurbishments and improvements that are not related to the building infrastructure for facilities that are sub-leased by the Philharmonic.
8. **Communication Equipment:** Consists of the purchase, installation and/or upgrade of various communication equipment including, but not limited to, security systems, phone systems and aircraft warning devices.
9. **Annual Maintenance:** Consists of painting, repairing/refurbishing seating areas, replacement of non-fixed patron amenities based on breakage or wear, consistent with previously approved expenditures.

10. **Major Equipment:** Consists of the purchase or replacement of major equipment used in the operation of the Hollywood Bowl such as sweepers and booms where the cost exceeds \$5,000.
11. **Museum Operation:** Consists of LAPA's expenses in operating the Hollywood Bowl Museum with such costs limited by the Provisions of Sections 4.4 and 6.7 of the Lease.

**AMENDMENT NO. 1**  
**HOLLYWOOD BOWL LEASE NO. 74998**

WHEREAS, the County of Los Angeles (the County) and the Los Angeles Philharmonic Association (LAPA) entered into Lease No. 74998 for the operation and maintenance of the Hollywood Bowl on June 22, 2004; and

WHEREAS, both the County and LAPA have agreed that the existing Lease language related to payments to the County for parking associated with events conducted at the John Anson Ford Theater should be changed to provide a simplified accounting of parking revenues and expenses and to define certain terminology,

Therefore, the County and LAPA mutually agree to the following:

1. Section 2.3 of Lease Agreement No. 74998 is replaced in its entirety with the following:

2.3 LAPA shall use the Parking Facilities to provide parking to serve the patrons of the Entertainment Space and as parking for the use of the Office Space, Museum, Restaurant Facilities and Retail Space and shall be entitled to the net income from such operations during the Term of this Lease. Net income in excess of \$50,000 in any Lease Year received by LAPA for the use of Parking Facilities during Non-Occupancy Periods shall be divided equally between (a) the Hollywood Bowl Improvement Account and (b) LAPA to be applied to activities of LAPA at the Bowl. LAPA shall be responsible for the operation of the Parking Facilities for any and all events held at the Ford Theater and shall pay to the Department all net proceeds exceeding \$20,000. This amount may be adjusted each year based on the CPI Adjustment.

For purposes of this section, "net proceeds" is defined as the parking revenue collected less operating expenses, including overhead, for any and all events held at the Ford Theater.



2. All other terms and conditions of the Lease shall remain in full force and effect.
3. This amendment shall become effective on April 1, 2006 or the date upon which this amendment is executed by the Director of Parks and Recreation, whichever is later.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Director, Parks & Recreation

Date: \_\_\_\_\_

Los Angeles Philharmonic Association

By: \_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL

RAYMOND J. FORTNER, JR

By:   
Senior Deputy County Counsel